

**Before the State of South Carolina
Department of Insurance**

In the matter of:

Chasty L. Barnhardt
3500 Cliffvale Court
Charlotte, NC 28269.

SCDOI Case File No.: 124333

**Consent Order
Imposing Administrative Penalty and
Probationary Period**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and the above referenced individual, a licensed South Carolina non-resident insurance producer.

Upon review of this matter, I hereby find as fact, that above named respondent, while licensed to do business as a non-resident insurance producer within South Carolina, did use the services of her husband Ashley Baugstat, to assist in the solicitation and processing of Medicare Supplement policies, offered to various individuals, even though Mr. Baugstat was not appointed by the Insurer, Mutual of Omaha. Because of these actions, Ms. Barnhardt was terminated by the Insurer. The respondent acknowledges these allegations, but contends these failures resulted from inadvertence and oversight and not from any intent to avoid the requirements of the law. Nevertheless, these actions can ultimately lead to the revocation of Ms. Barnhardt's license to transact the business of insurance in South Carolina, following a public hearing at the Administrative Law Court, pursuant to S.C. Code Ann. Section 38-43-130(Supp. 2004).

Prior to the initiation of any administrative proceedings by the Department against her, Chasty Barnhardt, aka Chasty B. Baugstat, and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision, rather than to proceed toward a formal public hearing. The consensual recommendation was that in lieu of the Department seeking to revoke respondent's licensing privileges, and pursue criminal charges against her, Ms. Barnhardt would waive her right to a public hearing, immediately submit via certified check, a negotiated and consensual administrative penalty in the amount of \$2,500.00 dollars, and be placed under One Year Probation.

Section 38-43-130 of the South Carolina Code of Administrative Laws grants the Director of Insurance the power to revoke an insurance producer's license for violating any of South Carolina's Insurance Laws. More pertinently, Subsection(C)(8) establishes the revocation of a producer's license, when the agent has..."used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere."

After a thorough review of the record, and pursuant to my findings of fact, I hereby conclude as a matter of law, that Chasty Barnhardt has violated S.C. Code Ann. Section 38-43-130(Supp. 2004). As a result, I can now take administrative disciplinary action against her non-resident insurance producer's license. However, under the discretionary authority provided to me within S.C. Code Ann. § 38-2-10(Supp. 2004), and carefully considering the recommendation of the parties, I hereby impose against respondent, an administrative penalty in the amount of \$2,500.00 dollars, and place her under a one year Probationary Period. If that penalty is not timely paid, all of her licensing privileges shall be immediately revoked without any further disciplinary proceedings and the case will be turned over to the Office of the State Attorney General.

This administrative penalty has been reached by the parties as a result of negotiation and compromise, and it is made in consideration of respondent's assurances that in the future she will fully comply with the Insurance Laws of South Carolina.

Nothing contained within this administrative disciplinary order should be construed to limit or to deprive any person of any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty of the Director of Insurance, exercised either directly or through the Department of Insurance, pursuant to S.C. Code Ann. § 38-3-110(4) (Supp.2004) to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the law relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Chasty Barnhardt, aka Chasty B. Baugstat shall, within fifteen days of the date from the date of receipt of this Order, pay through the South Carolina Department of Insurance an administrative penalty in the amount of \$2,500 dollars, and be placed under one year probation.

It is further ordered that a copy of this consent order be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states and a copy be placed in respondent's licensing file.

This order becomes effective as of the date of my signature below.

May 13, 2005, at
Columbia, South Carolina


Eleanor Kitzman
Director

I CONSENT:

Chasty B. Baugstat
Signature

Chasty B. Baugstat
Printed Name

Licensed Insurance Agent
Title

Address: 4213 French Fields Lane
Harrisburg, NC 28075

Dated this 9th day of May, 2005.